

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6771**

**BILL NUMBER:** SB 241

**NOTE PREPARED:** Dec 28, 2011

**BILL AMENDED:**

**SUBJECT:** Public Works Projects.

**FIRST AUTHOR:** Sen. Walker

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☒ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill provides that the plans, specifications, and contract documents for a public works project may not require bidders, contractors, or subcontractors to enter into or comply with certain agreements with labor organizations. It also provides a cause of action to challenge the award of a contract that violates these provisions.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** The bill does not allow a public works contract entered into, awarded, or renewed after June 30, 2012, to

- Require a bidder, contractor, or subcontractor to enter into or comply with an agreement with a labor organization on a project or related project.
- Discriminate against a bidder, contractor, or subcontractor for refusing to enter into, continue, or comply with an agreement with a labor organization on a project or related project.
- Require a bidder, contractor, or subcontractor to enter into or comply with an agreement that requires employees, as a condition of employment, to become members of a labor organization or over the objection of the employee, pay dues or fees that exceed the employee's share of the labor organization's cost relating to collective bargaining, contract administration, or grievance adjustment.

A bidder, employee, or taxpayer can sue if the contract contains the provisions prohibited by this bill. The court may invalidate the provisions of the contract that are in conflict with this bill, award cost and attorney fees, and order other appropriate relief.

The impact on state and local units is unknown, but would probably be minor.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** See *Explanation of State Expenditures*.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** All.

**Information Sources:**

**Fiscal Analyst:** Camille Tesch, 317-232-9866.